

IDAHO STATE TAX COMMISSION

COMMISSIONERS' OPEN MEETING MINUTES OF MEETING JANUARY 13, 2017

In attendance: Commissioners Ken A. Roberts, Richard W. Jackson, Tom Katsilometes, and Elliot S. Werk; Debbie Coulson, Michael Chakarun, James Pendergrass, Chuck Pond, Glenda Smith, Doreen Warren, Steve Fiscus, Randy Tilley, John Bernasconi, Mike Teller, Phil Skinner, Nathan Nielson, Mat Cundiff, Becky Ihli, and Kelly Martinez.

Guest: Kay Christensen

Public Session

Commissioner Tom Katsilometes convened the open meeting and welcomed all those in attendance.

Presentation of Certificates of Service

James Pendergrass, Performance Development Specialist, acknowledged the employees receiving a Certificate of Service. Mr. Pendergrass stated how much their combined total of 15 years of state service was appreciated. The Certificate of Service recipients in attendance were: Rebecca Danley, Tax Auditor 2 – 5 years of service; and Diane Griffiths, IT Systems Integration Analyst – 10 years of service.

The Commissioners expressed their congratulations to all the recipients and fellow employees who came out to support them, and how much they appreciate all their hard work.

Business Requiring Vote of the Commission

Minutes: Open Meeting – December 16, 2016

Commissioner Jackson moved that the minutes of the open meeting held on December 16, 2016, be approved. Commissioner Werk seconded the motion. There were no comments or amendments. All voted in the affirmative and the minutes of the open meeting held on December 16, 2016 were approved.

Minutes: Economic Estimates Commission – December 9, 2016

Commissioner Werk moved that the minutes of the Economic Estimates Commission meeting held on December 9, 2016, be approved. Commissioner Roberts seconded the motion. There were no comments or amendments. All voted in the affirmative and the minutes of the Economic Estimates Commission meeting held on December 9, 2016 were approved.

There was no more business requiring a vote of the Commission.

Administrative Reports

Audit Division, Randy Tilley

Randy Tilley had no report at this time.

There were no questions.

Management Services, Glenda Smith

Glenda Smith was present, as Mark Poppler could not attend the meeting. Ms. Smith said the budget hearing for the Idaho State Tax Commission will be held on February 7, 2017 for those who are interested in attending. Ms. Smith also reported that on December 19, 2016 they were informed that the federal mileage rate was decreased to 53 cents, which has been implemented in our system, as we cannot exceed the federal rate. That change became effective on January 1, 2017.

There were no further questions.

Revenue Operations, John Bernasconi

John Bernasconi had no report at this time.

There were no questions.

Tax Division Administrator, County Support, Steve Fiscus

Steve Fiscus had no report at this time.

There were no questions.

Collection, Debbie Coulson

Debbie Coulson had no report at this time.

There were no questions.

Public Information Director, Taxpayer Resources, Doreen Warren

Doreen Warren reported they are approaching the six-month anniversary of the new unit so she wanted to give a quick update and summary of some of the activities they have been working on. They have been actively working on legislative outreach, reviewing the rules and legislative package with the House Representatives and Senators from the tax committees. They have increased their outreach efforts from the great first initiative that was started last year and the results have been very positive. She said they have completed a letters initiative where they partnered with Revenue Operations and the tax practitioner community and they have clarified some key paragraphs that will be mailed to taxpayers. They are using that as a pilot to see if “plain talk” provides any better value to taxpayers in hopes to reduce significant phone calls in those areas. Ms. Warren said they have been doing some job sharing with Revenue Operations to give staff who are answering the phones more information on processing so they can provide better customer service to our taxpayers.

Ms. Warren said they have also reviewed the taxpayer services phone menu, and found ways to improve the message as well as to correct some incorrect information. In lieu of the annual meeting this year, they developed and produced a Tax Commission fact sheet, which was distributed at the annual ATI Conference and it was well received. As a response to the increase in “Where’s my refund” calls last year, they embarked on a refund messaging initiative. They have looked at the interactive voice response (IVR) system to correct and improve messages taxpayers receive when they call our automated system because this system had not been thoroughly reviewed in over ten years. They have increased the visibility for key information and services on our homepage and those are in the final stages of approval. They have also improved the refund information webpage and it is expected to be deployed within the next two weeks.

Ms. Warren said they have been working with the practitioner community to develop a tax professionals refund fact sheet with information relating to how taxpayers can track their refunds, how rapid response equals a faster refund, controlling refund destiny and typical timeframes for refunds. The fact sheet has been distributed to the practitioner communities and is available on our tax professional webpage. As a compliment to that, they wanted to produce something that the practitioners could provide to their clients so they have developed a one-page fact sheet that can actually be handed out to taxpayers. That has been completed and they intend to distribute that to

the field offices and saturate the environment. They are also planning to produce some posters that can be displayed at the field offices and in key locations. Ms. Warren said they are synchronizing their messaging with the interactive voice response system and doing the same messages with their TAP refund status interface. They are looking at exploring the possibility to enhance the experience on the webpage to know where your refund is. They are also trying to expand their outreach and go beyond typical press releases and they are trying to find other alternatives to get that message out. Ms. Warren said they are training internal staff so everyone is responding with a consistent message. As a result of all of these, they recognize the fact that they need to have some data, so they are going to find strategic places add surveys to the website to track data and get information regarding improvements that can be made. Commissioner Werk said Ms. Warren mentioned saturating the environment with the one page handout for taxpayers, and he asked if there is a plan in place to do so. Ms. Warren said that is currently in the development stages.

Mr. Chuck Pond asked if they also mention to the taxpayers that the data is only updated once a day as far as the refund tracking. Ms. Warren the message they are emphasizing is the IVR and webpage has the most up to date, current information because we are trying to keep them from calling in. She said they have not gotten to the fact of how many times a day it is updated, but that is something they can consider. Mr. Pond said it could lower the number of calls if taxpayers are notified that the status will not update again until the next day. Commissioner Werk said perhaps the messaging that should come out of our call center when people call in, is to let them know we update that information once a day. Ms. Debbie Coulson suggested putting that information out on the website and Ms. Warren said it could be added to the landing page for that tab.

Ms. Warren said Rules are being presented Tuesday in both the Senate and House Committees. Commissioner Werk asked how many legislators we expect to have met with by Tuesday and Ms. Warren said they have made contact with everyone at this point. Commissioner Roberts asked if there have been any questions or concerns on any of the rules for legislation yet with the ones they have met with. Ms. Warren said the sessions she sat in on have been very receptive to our explanations and have not had any concerns at all. They have also met with the transportation committees as well.

There were no further questions.

Tax Appeals Manager, Mike Chakarun

Mike Chakarun reported on the status of appeals for the first six months of Fiscal Year 2017, but this does not include cases that are handled by the legal department. He said they began FY2017 with 425 cases in their inventory with an average age of 385 days. For the first six months of the year, they have closed 216 cases with an average age of 364 days per case, and they ended with 445 cases in inventory with an average age 390 days. The case count went up by 20 files and the average days went up five, but he is not overly concerned about that statistic because of the transition from the old policy unit to the Taxpayer Resource Unit and three policy specialists moved to TRU and another policy person moved to the audit division. Mr. Chakarun said he was down four staff members and did have two new hires, one who started at the end June and the other one started at the end of August. Prior to that, in the first six months of the year we closed 238 cases, so we have lost a little bit of productivity now, but because everyone is on board and trained they hope to see that case count and average days going down. Commissioner Werk said for our budget hearing, we should probably have those numbers and an explanation because we were given an additional person so it will be important to have information about that. Mr. Chakarun noted that when we write a decision on a case, it will stay in the inventory for 91 days after we have mailed that decision because of the possibility of an appeal to Board of Tax Appeals or District Court. If we settle a case out for other reasons then that makes a difference because they do not sit in there for the full 91 days. Commissioner Roberts asked Mr. Chakarun to provide a copy of that report to Mark Poppler so he can include that in the JFAC presentation.

Mr. Chakarun said it seems like this year they are moving slower at the Legislature, last year we were doing bills and rules the first week of the session, what is the back current over there now? Commissioner Roberts said the ethics training is taking substantially more time. It is his perspective that the tax arena is very busy on undercurrent side, you do not see it publicly yet but there is a lot going on with proposals. Ms. Warren said her staff is really busy and she forgot to mention they are planning a Tax 101 presentation with the tax committees on January 25. Commissioner Werk said that part of it may be reflective that there are a lot of new sitting legislators and they also may have had some other committee meetings that we don't know about. Commissioner Werk said they sat in on the first tax committee meeting, we could have introduced our conformity bill at that meeting and he doesn't understand why that doesn't take place right away. Commissioner Katsilometes said they did talk to the Chairman this week and he indicated he was ready to put it on his calendar whenever we are ready. Ms. Warren will make that phone call.

There were no further questions.

There were no more administrative reports.

Reports on Rules Committees

There were no rules committee reports.

Other Business

There were no items of other business.

Public Comments

Commissioner Katsilometes asked if the guests in attendance had any comments.

There were no other public comments.

Executive Session

Commissioner Werk moved to go into Executive Session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party. A roll call vote was taken by Kelly Martinez, Administrative Assistant and Commissioners Roberts, Katsilometes, Jackson, and Werk all voted in favor and the motion passed.

The Commission met in Executive Session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party. No matters requiring a vote of the Commission resulted from the Executive Session.

Public Session

Commissioner Katsilometes declared the Executive Session ended and returned to the public session. There being no further business, Commissioner Jackson moved to adjourn the meeting, and Commissioner Roberts seconded the motion. All voted in the affirmative and the meeting was adjourned.

Kelly Martinez

Tom Katsilometes